

## Message Text

PAGE 01 STATE 037874  
ORIGIN AF-10

INFO OCT-01 EUR-12 ISO-00 EB-08 COME-00 AID-05 /036 R

DRAFTED BY AF/S:WEATON;DC  
APPROVED BY AF/S:LMACFARLANE  
AF/EPS:LWHITE  
EB/OCA/CD:RDAY  
COMM:ITA/OIM:PCHRISTIANSEN(INFO)  
-----008704 140520Z /15

R 132311Z PEB 78  
FM SECSTATE WASHDC  
TO AMCONSUL DURBAN  
INFO AMEMBASSY BONN  
AMCONSUL CAPE TOWN  
AMCONSUL JOHANNESBURG  
AMEMBASSY PRETORIA

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E.O. 11652:NA

TAGS: BBAK, EINV, SF (TRANSKEI)

SUBJECT: LARGE SCALE HOUSING VENTURE IN TRANSKEI

REF: DURBAN 52

1. DEPARTMENT CONTACTED RAYMOND EDMONDS, CHAIRMAN, PALO ALTO EQUITY AND MORTGAGE TRUST, REGARDING TRANSKEI HOUSING VENTURE. EDMONDS STATED THAT HE WAS WELL AWARE OF, BUT DID NOT AGREE WITH, USG POLICY REGARDING TRANSKEI. HE ASSERTED THAT HOUSING VENTURE STEMMED FROM HUMANITARIAN DESIRE TO HELP REMEDY PRESENT SHORTAGE OF DECENT HOUSING FOR WORKERS AND THEIR DEPENDENTS IN TRANSKEI.

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2. EDMONDS STATED THAT HIS FIRM HAD SECURED THE NECESSARY FINANCING FROM A SAUDI ARABIAN GROUP. THIS GROUP HAD AGREED TO EXTEND A 200,000,000 DOLLAR LOAN FOR 10 YEARS PLUS AN ADDITIONAL 10 YEAR ROLLOVER. HE SAID THAT THE INTEREST RATE IN THE LOAN WOULD LIKELY BE AS LOW AS FIVE AND ONE-HALF PERCENT BECAUSE OF THE HUMANITARIAN PURPOSE OF THE VENTURE. HE STATED THAT THERE WAS NO US FINANCING OF THE PROJECT. AT THE PRESENT TIME HE SAID THAT HIS FIRM WAS AWAITING LOAN REPAYMENT GUARANTEES DOCUMENTATION FROM TRANSKEI WHICH WOULD BE

FORWARDED TO THE LENDERS FOLLOWING WHICH WORK WOULD COMMENCE.

HE ADDED THAT MOST OF THE PLANNING FOR THE PROJECT HAD BEEN DONE AND MOST CONSTRUCTION EQUIPMENT WAS ALREADY IN TRANSKEI.

3. UNDER STANDING USG COMMERCIAL POLICY REGARDING TRANSKEI (77 STATE 111637) POST SHOULD NOT INITIATE COMMERCIAL ACTIVITIES. THEREFORE, POST IS REQUESTED NOT TO INFORM US FIRMS IN SOUTH AFRICA OF THE POSSIBLE TRADE OPPORTUNITY OR TAKE ANY OTHER INITIATIVES SUCH AS SUBMISSION OF A TRADE OPPORTUNITY REPORT REGARDING THIS HOUSING VENTURE. VANCE

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<< END OF DOCUMENT >>

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 02 sep 1999  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** n/a  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 13 feb 1978  
**Decaption Date:** 01 jan 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 20 Mar 2014  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1978STATE037874  
**Document Source:** ADS  
**Document Unique ID:** 00  
**Drafter:** AF/S:WEATON;DC  
**Enclosure:** n/a  
**Executive Order:** 11652 NA  
**Errors:** n/a  
**Expiration:**  
**Film Number:** n/a  
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**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
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**Previous Handling Restrictions:** n/a  
**Reference:** DURBAN 52  
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**Review Withdrawn Fields:** n/a  
**SAS ID:** 3467556  
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**Status:** NATIVE  
**Subject:** LARGE SCALE HOUSING VENTURE IN TRANSKEI  
**TAGS:** BBAK, EINV, SF (TRANSKEI)  
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**Type:** TE  
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**Review Markings:**  
Sheryl P. Walter  
Declassified/Released  
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20 Mar 2014  
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